



Modern and Elite Real Estate Brokerage

## OUTLOOK 2021: CONTINUED STRENGTH

### THE NATIONAL PICTURE

The real estate market was one of the few bright spots in the Canadian economy for 2020. The real estate market was soft in 2018 with year-over-year sales down nearly -5% and the average sale price of a residential property down -4.1%. The decline in housing prices, lower mortgage rates, continued population and economic growth, led many prospective buyers to return to the real estate market in the latter part of 2019 and early 2020. Some areas of the country experienced positive gains in prices and sales. After the initial shock of the Covid-19 pandemic and associated restrictions and lock-downs in March and April, the real estate market found its footing and went on a record-setting pace for the remainder of 2020.

On the supply side, residential listings on the Canadian MLS® totalled 785,213 in 2020, down -4.3% from 820,420 in 2019. On the demand side, there were 551,392 sales in 2020, up +12.6% from 489,880 sales in 2019. The value of MLS® residential sales in Canada was \$313.024 billion, up +27.1% from \$246.317 billion in 2019. The sales-to-new-listings ratio (*a measure of market strength*) was .70, up from .60 in 2019. **The average sale price of residential properties in Canada was \$567,699 (a new high) in 2020, up +12.9% from \$502,812 in 2019.** The three largest markets, (i.e., Montreal, Toronto and Vancouver) experienced solid price gains.

Table 1 provides a summary analysis of MLS® residential sales for selected cities/areas in 2020. Generally speaking, most Canadian cities experienced strong market conditions and many experienced a strong seller's market. Toronto, Hamilton, Ottawa, Montreal, Halifax/Dartmouth, Fraser Valley and Victoria enjoyed double digit price increases. Most other areas experienced balanced market conditions with relatively modest price increases. No city/area experienced a year-over-year price decline in 2020.

Given the prospects of low interest rates, improving economic conditions and a return to normal immigration levels, there is considerable optimism for the real estate market in 2021. According to a recent assessment by Canada Mortgage and Housing Association (CMHC), which takes into account such factors as: overheating, overbuilding, price acceleration and overvaluation, the Canadian housing market as a whole remains at a moderate degree of vulnerability to a price correction. The Canadian Real Estate Association (CREA) is forecasting that the current market strength will continue into 2021. Residential MLS® sales are forecast to increase +7.2% to about 584,000 units in 2021, and the average sale price will increase a further +9.1% to about \$620,404. (*The real estate market in Canada has been an important part of the economy for decades. Even in the face of severe headwinds, it has shown remarkable resilience over the years. As one columnist observed, if a pandemic and major recession doesn't derail it, what will?*)

TABLE 1: AN ANALYSIS OF SELECTED AREAS - 2020

City/Area	Avg Sale Price	*Change	Sales-to-New Listings Ratio
Vancouver	\$1,066,199	+8.0%	.57
Toronto	\$929,673	+13.4%	.61
Fraser Valley	\$826,005	+14.4%	.65
<b>Victoria</b>	<b>\$777,993</b>	<b>+13.0%</b>	<b>.69</b>
Hamilton	\$691,968	+17.1%	.80
Ottawa	\$531,791	+19.9%	.83
Montreal	\$476,512	+16.7%	.83
Calgary	\$460,148	+0.7%	.59
Edmonton	\$371,604	+1.9%	.54
Halifax/Dart.	\$369,435	+14.6%	.89
Saskatoon	\$329,113	+4.4%	.56
Winnipeg	\$317,931	+4.9%	.68
Regina	\$306,227	+2.0%	.60
Quebec City	\$294,579	+6.3%	.87
Nfld/Labrador	\$248,661	+3.1%	.49
<b>National</b>	<b>\$567,699</b>	<b>+12.9%</b>	<b>.70</b>

\* Percentage Change over 2019

TABLE 2: STATISTICAL TRENDS - ALL RESIDENTIAL (Greater Victoria and Other Areas)

QUARTER-TO-QUARTER COMPARISONS			
	4 <sup>th</sup> Qtr 19	4 <sup>th</sup> Qtr 20	Change
New Listings	1,913	2,423	+510
Sales	1,506	2,259	+753
Avg Sale Price	\$714,205	\$794,559	+\$80,354
Median Sale Price	\$645,000	\$690,000	+\$45,000
Ratio Sales-to-Listings	.79	.93	+0.21
Avg Days to Sell	51	39	-12
Sale Price as % of Org List Price	95.8%	97.5%	-1.7%
Mortgage Rates (Nat Avg 3 yr Fixed)	3.44%	2.98%	-0.46%

## REAL ESTATE IN VICTORIA - 2020

After the initial shock of the impact of the Covid-19 virus on the economy in early spring, the real estate market in Victoria rebounded quickly in the summer and the momentum carried through the remainder of 2020. Residential listings through the VREB's MLS® totalled 11,647, up +1.9% from 11,427 in 2019. Residential sales totalled 8,060, up +16.9% from 6,892 in 2019, but still below the record of 10,028 sales in 2016. The sales-to-new-listings ratio was .69 up from .61 in 2019. The value of residential sales through the VREB MLS® was \$6.271 billion in 2020, up +32.1% from \$4.746 billion in 2019. **The average sale price of a residential property in 2020 was \$777,993 (a new high), up \$89,304 or +13.0% from \$688,689 in 2019. The market strength continued into the 4<sup>th</sup> Qtr of 2020. There were 2,259 residential sales, up +50% from 1,506 in the 4<sup>th</sup> Qtr of 2019. The average sale price was \$794,559, up \$80,354, or +13.3% from \$714,205 in the 4<sup>th</sup> Qtr of 2019.**

Sales of SFDs totalled 3,941 in 2020, up +18.5% from 3,325 sales in 2019. **Driven in large part by the sale of luxury homes, the average sale price of SFDs in 2020 reached \$1,019,855 (a new high), up \$141,098 or +16.1% from \$878,757 in 2019.** The median sale price was \$870,000, up \$70,100 or +8.8% from \$799,900 in 2019. The sales-to-new-listings ratio rose to .73, up from .58 in 2019. SFDs that sold in 2020 were on the market for an average of 37 days, down from 43 days in 2019. **The average sale price in the 4<sup>th</sup> Qtr of 2020 was \$1,061,925, up \$139,109, or +15.2% from \$922,816 in the 4<sup>th</sup> Qtr of 2019.**

Condominium sales totalled 2,409 in 2020, up +8.7% from 2,217 sales in 2019. **The average sale price for a condo was \$484,740 in 2020, up +2.9% from \$471,169 in 2019.** The median sale price was \$429,000, up +2.4% from \$419,000 in 2019. The sales-to-new-listings ratio was .60, down from .62 in 2019. Condos that sold in 2020 were on the market for an average of 41 days, up slightly from 40 days in 2019. **The average sale price in the 4<sup>th</sup> Qtr of 2020 was \$484,412, up \$11,868, or +2.5% from \$472,544 in the 4<sup>th</sup> Qtr of 2019.**

Townhouse sales totalled 1,029 in 2020, up +24.4% from 827 in 2019. **The average selling price was \$615,861 in 2020, up +2.2% from \$602,870 in 2019.** The median sale price was \$577,000, up +4.0% from \$555,000 in 2019. The sales-to-new-listings ratio was .77, compared to .62 in 2019. Townhouses that sold in 2020 were on the market for an average of 40 days, little changed from 41 days in 2019. **The average sale price in the 4<sup>th</sup> Qtr of 2020 was \$655,792, up \$59,652 or +10.0% from \$596,140 in the 4<sup>th</sup> Qtr of 2019.**

## MARKET OUTLOOK - VICTORIA

The British Columbia Real Estate Association (BCREA) has an optimistic forecast for the Victoria real estate market in 2021. It expects that the economy will be on a better footing going into 2021 with a recovery in the labour market. The report notes that the pent-up demand that marked 2020 will likely fade somewhat. However, this will be offset by a challenging supply environment. The BCREA is forecasting that residential sales in Victoria will increase about +5% in 2021 to about 8,400 units and that the average price for a residential property will increase about +2.0%.

TABLE 3: REAL ESTATE ACTIVITY - Greater Victoria  
Jan 2020 to Dec 2020

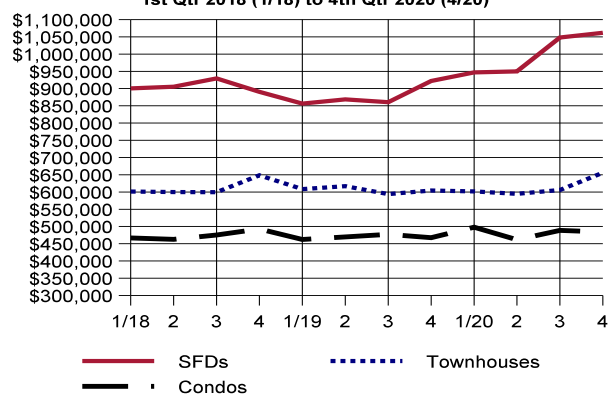
## Single Family Dwellings

District*	Sales	% Chg	Avg. Sale Price	% Chg
Victoria/VW	412	+26.0	\$1,038,942	+11.1
Oak Bay	269	+40.8	\$1,609,481	+14.2
Esquimalt	106	n/c	\$807,190	+9.4
View Royal	85	-6.6	\$820,923	+10.6
Saanich East	705	+12.2	\$1,064,825	+11.4
Saanich West	284	+1.4	\$948,811	+19.5
Central Saanich	170	+14.9	\$988,562	+9.2
North Saanich	212	+43.2	\$1,097,656	+9.3
Sidney	140	+8.5	\$793,228	+4.2
Highlands	46	+24.3	\$1,064,170	+18.4
Colwood	234	+35.0	\$802,781	+10.8
Langford	701	+21.7	\$826,449	+13.8
Metchosin	46	+70.4	\$1,044,013	-0.6
Sooke	371	+4.8	\$626,600	+8.6
Waterfront	160	+50.9	\$2,340,254	+30.3
<b>Totals</b>	<b>3,941</b>	<b>+18.5</b>	<b>\$1,019,855</b>	<b>+16.1</b>
Gulf Islands	273	+34.5	\$849,427	+15.6
Malahat & Area	315	+19.8	\$787,735	+10.9

\*District Avg. Sales Prices exclude sales of "Waterfront"

Condominiums	2,409	+8.7	\$484,740	+2.9
Townhouses	1,029	+24.4	\$615,861	+2.2
Percentage Change over period Jan 2019 to Dec 2019				

CHART 1: QUARTERLY SALE PRICES  
1st Qtr 2018 (1/18) to 4th Qtr 2020 (4/20)



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